

EXHIBIT 196

HBC PHARMACY OPERATIONS AND PROCEDURES

HBC SERVICE CO.

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FROM: Andy Zelaski

RE: HBC PHARMACY OPERATIONS, SECURITY AND PROCEDURES

SCOPE OF WORK: HBC supplies 200 plus Giant Eagle corporate retail pharmacies with 500 plus generic pharmaceuticals and class 3, 4 and 5 controlled pharmaceuticals. Additionally, HBC combines all PSE product with the pharmaceuticals during shipment. The PSE product is maintained behind the pharmacy counter at the retail level. Additionally HBC provides twice weekly service to the Central Fill operation housed at McKesson.

HBC IS COMMITTED TO PROVIDING ERROR FREE SHIPMENTS WITH 100% SERVICE LEVEL.

TABLE OF CONTENTS

- RECEIVING
- STORAGE
- SELECTION
- INVENTORY CONTROLS
- SHIPPING
- SECURITY

RECEIVING:

All generic and controlled pharmaceuticals will be delivered to the grade level garage door that leads directly into the Pharmacy room at HBC. Each vendor will be required to ship product against a Giant Eagle generated purchase order.

Each P.O. will show WHSE 85 and the ship to address will be listed as 601A Meadowlands Blvd.

Upon arrival, all controlled pharmaceuticals will be immediately taken into the locked controlled cage. The counting of the controlled drugs will take place inside the cage whether it be in pallet or case quantity.

The counting of the non controlled will take place in the receiving staging area.

HBC personnel will denote any discrepancy directly on the Bill of Lading as it is signed. This includes overages, shortages and damages.

HBC will fax or email all discrepancies against B.O.L. to GE Pharmacy merchandising team (controlled only).

HBC pharmacy personnel will follow existing receiving procedures to the item level assigning an LPN(s) to account for the quantity shipped. NDC code will also be verified. HBC pharmacy receipts are accomplished at the master case or unit level when vendors ship less than the master pack.

STORAGE

The storage of all pharmaceuticals and PSE product takes place in a 12,000 square foot room constructed of block walls. Within the room, there is a separate 1200 square foot caged area to secure the controlled pharmaceuticals. The room is protected by a Sonitrol alarm system separated from the main body of the warehouse. The cage area has an additional alarm system separate from the remainder of the pharmacy room.

All controlled pharmaceuticals will be maintained inside the cage at all times from receipt through selection. This encompasses all associated tasks – receiving, storage, replenishment and selection. All history will be maintained through the Manhattan WMS. HBC also intends to maintain all PSE product inside the cage upon approval from the DEA.

The generic pharmaceuticals are maintained within the secured pharmacy room. This also encompasses all associated tasks – receiving, storage, replenishment and selection. As with controlled, the MANH WMS will govern all transactions and history of this product.

SELECTION

All pharmaceutical selection will be performed using Vocollect directed activity. The Vocollect system will direct users via headset to the location and quantity of each item to select. As the selector is picking, they will scan the NDC bar code of the item to ensure the exact item is being selected. This will be repeated for all items until all total units are selected. These tasks are completed one customer at a time.

When picking more than one unit of any item, selectors scan each unit individually and put the like items in a clear bag for ease of receiving and sorting at the retail pharmacy.

The narcotics will be placed inside a #12 white paper bag with a pick list attached to the outside of the bag for ease of customer verification upon delivery. Upon completion of the tasks inside the cage, the tasks will be combined with the generic drug tasks and consolidated into the fewest shipping cartons/totes as possible. All totes will be sealed and completed totes will be constructed on pallets by geographical destination. The combining of orders will also take place inside the cage. The carton id label from the controlled picking task will be attached to the tote containing the controlled drugs during consolidation. There will be an alert developed that will capture the carton id containing the controlled product. There will be an email sent to the pharmacies indicating the carton id for ease of content verification upon delivery.

ATTACH CTN ID LABEL HERE

SHIPPING

All deliveries of pharmacy orders are performed through a dedicated third party courier service – Prestige Delivery Systems. GE/HBC electronically sends a bar coded file for all pharmacy orders to Prestige after all orders are waved (released). The bar code contains carton id and customer name and address and is used by Prestige and GE/HBC for proof of delivery.

Prestige delivers directly to the Pharmacy at each location while obtaining customer signature. Each customer verifies seal is intact before signing for the delivery. If the seal is broken, the customer will be required to verify all contents of controlled pharmaceuticals against the accompanying pick list.

THERE WILL BE A LINE ON THE PRESTIGE MANIFEST PROMPTING PHARMACY PERSONNEL TO VERIFY CONTROLLED PHARMACEUTICAL PRODUCT IS INTACT.

If the seal is broken and the contents of what is being presented do not match the pick list, the customer must immediately note the exception(s) to Wholesale Customer Service, Pharmacy Customer Service and HBC. The customer must also note if the white bag was sealed (stapled). If the white bag is stapled and was not tampered with, an investigation will be launched back at HBC to determine what caused the discrepancy. This investigation will include a review of the self audit bar code scan file, the video security system and the cycle count results following that day's billing run. If the white bag was tampered with, GE Loss Prevention will also be notified so they may begin an investigation that may also include the courier service.

SECURITY

GE/HBC will remain in compliance with DEA requirements at all times. All GE/HBC team members with access to the cage or those involved in handling the class 3, 4 and 5 pharmaceuticals will undergo the required background checks associated to the following DEA regulations:

1301.76, 1301.90, 1301.92 and 1301.93

The Pharmacy room itself will be limited to HBC team members who have direct day to day involvement with any activity necessary to sustain the room (primarily through annual master bid). This will be done through fob access. FOB's will be required to enter and exit the room. No other team members can enter the room unless granted access by the pharmacy room coordinators or a member of the HBC management team. Again access will be granted only for business need: i.e. allowing a team member to haul away and dump a full cardboard bin and only after video confirmation of who is attempting to enter. Union team members with fob access to the room are not permitted to allow anyone to enter. Any visitor to the room must be accompanied by a member of the HBC operation's management team.

It is possible that team members may have access to the pharmacy room, but will be restricted from the cage or any work process associated to handling the class 3, 4 and 5 pharmaceuticals. This will governed by the DEA regulations previously noted.

The cage inside the pharmacy room that will contain the class 3,4 and 5 pharmaceuticals will remained locked at all times when not in use. It is permissible for the cage to be unlocked when in use as long as it is being monitored by the coordinator or a member of the management team. If unlocked, only those in compliance with the previously mentioned DEA regulations are permitted to enter inside. Maintenance personnel will be granted access inside for repair work as long as they are in compliance with the regulations. Keys to unlock the cage will only be in possession of the HBC operation's management team .

Exterior entrance to the pharmacy room will also be controlled through fob access through a man door. Access to the exterior door will only be granted to the management staff and maintenance personnel. When a carrier arrives for either pick up or delivery, a supervisor must be notified. When the supervisor arrives in the room, he/she must view the three exterior cameras before instructing the driver outside to lock the vehicle in place via an intercom system. Once the vehicle is locked in place, the supervisor will review the cameras and then buzz the driver inside if the area is clear. The driver will close the exterior door and will be held in the containment area. Once the exterior door is closed behind the driver, the supervisor will release the holding area door to fully allow the driver inside the pharmacy room.

The supervisor will then unlock the padlock that secures the grade level garage door. If the delivery contains class 3, 4 or 5 pharmaceuticals, the supervisor will unlock the cage so the product can be taken directly into the protected area. The reconciliation will take place inside the cage by the receiver, but excluding the driver.

If the driver arrives for pick up, the supervisor will follow the same steps indicated for the receiving process before allowing the driver access inside.

Once either process is complete, the supervisor will again review the video security before going outside to release the truck. If the area is clear, the supervisor will go outside and unlock the secure gates and allow the carrier to leave.

OTHER SECURITY MEASURES

10 gauge steel mesh cage with all openings less than 2 ½ inches. The cage also has a connected matching roof at least 3 feet below the building roof height.

An alarm system for the cage independent from the remainder of the warehouse alarm system which includes motion detectors and door contactors.

A web based camera security system that monitors the entire pharmacy room including all entrance/exit points (currently 20 cameras) that can be viewed from numerous pc's. Authorization to monitor the camera security system will be granted only to the HBC management team and pharmacy coordinators.

Keys to the cage restricted to the HBC management team.

Exterior access to the Pharmacy room limited to the HBC management team.

Controlled access to the pharmacy room for union team members through fob access.

Self scanning audits to ensure 100% accuracy with daily cycle counting.

No trash or empty boxes will be disposed until inspection is completed by pharmacy coordinators or a member of the management team.

HBC personnel will comply with all ARCOS reporting requirements.